

# **THE LEONARD LETTER**

*February 6, 2006*

## **QUOTE OF THE WEEK**

*"In the end it will not matter to us whether we fought with flails or reeds.  
It will matter to us greatly on what side we fought."*

*-- Gilbert Keith Chesterton  
(1874-1936) British essayist, critic, poet, and novelist*

## **UNDER THE DOME**

### **\*\*\*LAO: \$68 Billion Infrastructure Bonds to Cost \$144 Billion\*\*\***

I am grateful to Assemblyman Bill Maze for submitting a letter to Elizabeth Hill, the Legislative Analyst. The letter requested the Analyst to provide General Fund revenue and expenditure growth over the next ten years, and the cost of financing the Governor's proposed infrastructure bonds. I have posted the Analyst's response here:

<http://www.boe.ca.gov/leonard/LAOReport.pdf>

The Analyst puts the total cost of the Governor's proposed infrastructure bonds (\$68 billion worth) -- assuming an average 5.75 percent interest rate repaid over thirty years -- at about \$144 billion. The Analyst pegs the annual debt service under this plan at a whopping \$4.8 billion dollars per year.

As I have written elsewhere, it makes much more sense to devote the money we would pay in debt service and simply apply that money every year for infrastructure, thus gaining \$78 billion over ten years (\$144 minus \$68) in investments in highways, hospitals, and high priority projects. An even more conservative proposal would be Assemblyman McCarthy's bill that would set aside 1 percent of the General Fund for infrastructure spending on an ongoing basis. This would get over \$1 billion the first year, and grow as expenditures grow.

I applaud the Governor for boldly addressing our state's infrastructure needs. He has also indicated he is willing to consider other approaches. Governor, I say let's start now, and let's pay for it now as well.

## **AROUND THE STATE**

**\*\*\* Terri Winchell\*\*\***

Terri Winchell was a vivacious 17-year-old young woman in 1981. She was brutally murdered. Her murderer is due to be executed later this month and it cannot happen a moment too soon. But as usual when an evil person is about to face man's punishment for his crime, there are people clamoring about his redemption and remorse and pleading for his life. To those people, I ask you to pause and consider Terri. No amount of remorse and no variety of his excuses can change what he did to Terri. And lest you feel pity for him or question his guilt, please recall these facts: Morales tried to choke Terri with a belt, but it broke so he hit her in the head with a hammer. Her skull had more than 23 hammer indentations. He dragged her body face-down across a street, raped her, and stabbed her four times in the chest, leaving her in a vineyard, naked from the waist down and her shirt pulled up over her breasts. Terri's blood was found in Morales's car. The murder weapons were found at his home. He had blood on his person. Yet, the media coverage is focusing on the lack of credibility of one witness who was in jail with Morales. Instead of focusing on that, let us focus on the overwhelming body of evidence of his guilt and on the victim of his evil, Terri.

### **\*\*\*A Weighty Matter?\*\*\***

A few weeks ago I published this question as a sample of math questions on the high school exit exam: "A shopkeeper has  $x$  kilograms of tea in stock. He sells 15 kilograms and then receives a new shipment 2y kilograms. Which expression represents the mass of the tea he now has?" One observant reader wrote back with this point: "Kilogram is a unit of mass....Weight is a measure of the attractive force between the matter and the Earth, the moon, or whatever. Mass is measured by using a balance to compare it to other masses. Weight is measured with a spring scale. Weight of an object varies with location. Mass does not. Weight is also measured in pounds..."

So I asked the Department of Education to respond to his factually correct analysis. The Department offered the following explanation: "We understand the point brought up by the question, but items used to assess learning on this mathematics standard may be written from a business or everyday perspective, rather than a scientific perspective, as they do not assess knowledge of the difference between weight and mass. In business and in everyday usage, weight and mass are not distinguished and are commonly used synonymously. For example, shipping companies charge by 'weight' and not by 'mass'....This item adheres to the test item specifications for the standard it assesses and was also deemed acceptable by the teacher committees that reviewed this item prior to its use on the exam. The subsequent statistics for this item supported its clarity and effectiveness."

How beautifully bureaucratic.

## **ISSUE FOCUS**

### **\*\*\*Partisan Games and Bad Laws\*\***

For the past few years, both parties in Sacramento have been wrangling over how to deal with each other's hot button issues. Each side tries to position itself to blame the other as soft on

crime or for higher taxes. What all of these machinations made me think of was a significant historical event that occurred last week: the ratification of the 16<sup>th</sup> amendment to the U.S. constitution that established the federal income tax.

Income and other direct taxes had been rejected by the Constitution's authors, but an income tax was instituted during the Civil War. That tax was abandoned in 1872, but when Democrats took power in 1892, they instituted another income tax. Two Supreme Court cases in 1895 determined that the latest version of the income tax was unconstitutional. Historian W. Cleon Skousen explains that in the following decade, "There was great social unrest and the idea of a tax to 'soak the rich' began to take root among liberals in both major parties. Several times the Democrats introduced bills to provide a tax on higher incomes but each time the conservative branch of the Republican party killed it in the Senate. The Democrats used this as evidence that the Republicans were the 'party of the rich'..."

Texas Democrat Senator Joseph Bailey introduced an income tax bill with the intention of embarrassing Republicans by putting them on record as opposing it. His trick backfired when the liberal wing of the Republican party supported his bill. President William Howard Taft and conservative Republican leaders scrambled for a strategy in light of the split within the GOP. They, too, devised a tricky tactic: come out in support of an income tax, but only in the form of an amendment to the Constitution and only if the Democrats supported reducing unpopular tariffs, which drove up the price of goods. Thus, the income tax amendment got out of Congress and was sent to the states. State legislatures were pressed to approve it to lower the pesky tariffs, which affected most people whereas the proposed income tax was only going to a small percentage of the wealthiest Americans. Of course, those wealthiest Americans anticipated the burden that would be theirs alone and lobbied for the creation of tax-exemption charitable foundations, where they put their wealth (e.g., Andrew Carnegie).

Thus, the income tax was foisted upon us a result of the parties seeking to embarrass each other, the use of catchy slogans to sway the public, and the public's belief that new taxes were acceptable as long as they were applied to other people. Those dynamics are still in play today and they can lead to laws that do not accomplish their intended goals, effect people they were not intended to, and make both parties look foolish.

## MISCELLANY

### \*\*\*A Good Read\*\*\*

These days when Americans speak of human rights and liberty, they are likely to have a discussion over foreign policy. Yet, only a few generations ago, such discussions were centered upon slavery right here in the U.S. We all learn the history of slavery in school, but textbooks do not excel at portraying the human experience of it. Thus, I recommend a brief book, "Narrative of the Life and Adventures of Henry Bibb An American Slave," newly republished from the original manuscript of 1849. Bibb was born into slavery and found early on that it was incompatible with human nature. He ran away for the first time when he was only ten; running away became a pattern in his life. He wrote that his experiences in slavery and running away

“kindled a fire of liberty within my breast that has never been quenched. This seemed to be a part of my nature; it was first revealed to me by the inevitable laws of nature’s God. I could see that the All-wise Creator, had made man a free, moral, intelligent and accountable being, capable of knowing good and evil. And I believed then, as I believe now, that every man has a right to wages for his labor; a right to his own wife and children; a right to liberty and the pursuit of happiness; and a right to worship God...” When Bibb finally did escape for the last time, he worked in the anti-slavery movement and became a well-known and well-regarded speaker on the subject. His words are no less impactful decades later. His story of being torn from his wife and child, the cruel punishments inflicted on his body, and his struggle to find people willing to help and be trusted, are moving and inspiring. At just over 100 pages, Bibb’s narrative can give you a birds-eye view on a period of American history that we must never forget so that we never permit this treatment of human beings again.

## **BOE AND LEGISLATIVE DATES**

**February 13, 2006** --- Abraham Lincoln’s birthday holiday.

**February 13, 2006** --- First day Declaration of Candidacy and Nominations papers can be turned in for candidates running in the June primary election.

**February 20, 2006** --- Presidents’ Day/George Washington’s birthday holiday.

**February 23, 2006** --- Last day to turn in petitions in-lieu of the filing fee for the June 2006 primary election.

**February 24, 2006** --- Last day for bills to be introduced.

**March 7-9, 2006** --- BOE meets in Culver City.

**March 28-29, 2006** --- BOE meets in Sacramento.

**April 6, 2006** --- Legislature begins spring recess upon adjournment.

**April 17, 2006** --- Legislature reconvenes from spring recess.

**April 18, 2006** --- BOE meets in Sacramento.

## **NOTABLE DATES/ HISTORY**

**February 6, 1778** --- France recognized the U.S. and signed the treaty of aid in Paris.

**February 6, 1778** --- England declared war on France.

**February 6, 1869** --- Harper's Weekly published the first picture of Uncle Sam with chin whiskers.

**February 6, 1933** --- The 20th Amendment became effective so that presidential terms begin in January, not March.

**February 7, 1795** --- The 11th Amendment to the U.S. Constitution was ratified, affirming the power of states.

**February 7, 1983** --- Republican Elizabeth Dole was appointed by President Ronald Reagan as the first woman to be U.S. Secretary of Transportation. She later became first woman to represent North Carolina in U.S. Senate.

**February 8, 1926** --- Walt Disney Studios was formed.

**February 8, 1977** --- 5.0 earthquake hit San Francisco.

**February 8, 1894** --- Democrat Congress and Democrat President Grover Cleveland joined to repeal Republicans' Enforcement Act, which had enabled African-Americans to vote.

**February 9, 1864** --- Susan B. Anthony and Elizabeth Cady Stanton delivered more than 100,000 signatures to the U.S. Senate in support of Republicans' plans for a constitutional amendment to ban slavery.

**February 10, 1870** --- The City of Anaheim incorporated for the first time.

**February 10, 1961** --- The AFL's Los Angeles Chargers moved to San Diego.

**February 10, 1971** --- An earthquake in the San Fernando Valley killed 65 and caused more than \$½ billion damage.

**February 11, 1766** --- The Stamp Act was declared unconstitutional in Virginia.

**February 11, 1768** --- A letter by Samuel Adams circulated around the American colonies in opposition to the Townshend Act taxes.

**February 11, 1936** --- Pumping began to build Treasure Island in San Francisco Bay.

**February 11, 1945** --- The first gas turbine propeller-driven airplane was flight tested in Downey, CA.

**February 12, 1809** --- Abraham Lincoln was born.

## **GENERAL TAX INFORMATION**

For answers to your general tax questions, call the Board of Equalization information center. Customer service representatives are available to help you from 8:00 a.m. to 5:00 p.m. Pacific time, Monday through Friday (except state holidays).

Toll-free number: 800-400-7115  
TDD service for the hearing impaired  
TDD phones: 800-735-2929  
Voice phones: 800-735-2922

To reach the Taxpayer Rights Advocate's office for assistance with any BOE issues, see <http://www.boe.ca.gov/tra/tra.htm>, or call toll-free 1-888-324-2798.

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